

Audit's

MONTHLY NEWS ANALYSIS OF SECURITIES OF REAL ESTATE INVESTMENT TRUSTS

Realty Trust Review

For delivery Monday, December 28, 1970

VOL. I, No. 10

TRUST SHARES FOR YOUR ATTENTION

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1970: YEAR TO REMEMBER

Realty trusts were the *nouveau riche* of investments during 1970, literally bursting the doors down to raise \$1.6 billion in a credit-starved economy. Another mark of acceptance is the march toward listings. During the year 24 trusts listed shares or warrants on the NYSE or ASE. The year ends with 36 trusts listed and that will grow by four in January: Larwin, ASE, Jan. 4; MassMutual, Jan. 13, Equitable Life, Jan. 22, and Wachovia, Jan. 27, all on the NYSE. The greatly expanded NAREIF handbook (\$17.50 from NAREIF, 900 Chapel St., New Haven, Conn. 06510) is still another evidence of this growth.

The heightened visibility of listing has swelled volume. Our tallies (p. 8) indicate that about \$12 million worth of trust shares change hands weekly now. The last half of 1970 ended on a strong note for offerings to fund trusts investing in intermediate-term or long-term mortgages and we have now grouped trusts in these categories on p. 7. You can expect to see a lot more of this. The sponsors of North American Mortgage are considering converting Eastern Shopping Centers, now a development company, into a long-term trust and other short-term trusts are moving that way.

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JACKSONVILLE'S FOUR TRUSTS CARVING OUT SOLID BUT DISTINCTIVE RECORDS

Believe it or not, Jacksonville is a nerve center for mortgage trust lending, despite its relatively small size of about 500,000 population. Because the city is a financial center of long-standing, it is now headquarters for four mortgage trusts--more than other familiar and larger financial centers like San Francisco and Denver (3 each), Dallas, Houston and Detroit (1 each) and Chicago (none as yet).

The Jacksonville based institutions were among the earliest to pick up the mortgage trust idea and as a result the four Jacksonville trusts now supervise over \$210 million of short-term construction and land development loans.

All four Jacksonville trusts are linked to other financial institutions. American Century Mortgage Investors and Fidelity Mortgage Investors are sponsored by life insurance companies, Barnett Mortgage Trust is backed by the Barnett banking network, and Guardian Mortgage Investors is sponsored by the Charter Co., mortgage banking and realty company. Three of the four are already over one year old and all three are listed on the ASE. Barnett is the exception.

Because of this head start, we think the Jacksonville trusts may set the pattern for other newer institutional trusts. On the basis of our interviews with them, you can expect the institutional trusts to leverage themselves as much as is practical while giving up modest parts of equity. This is the classic growth pattern for trusts which may have been forgotten in the recent rush to sell convertibles and warrants.

But there are important differences between managements over growth rate targets, borrowing methods and origination practices.

Guardian Mortgage Investors is the most aggressive of the four. Guardian started small with a 500,000 share offering at \$25 on March 11, 1969. Another \$12.5 million was provided through private placement of debentures convertible at \$25. By the time GMI's first fiscal year ended Feb. 28, 1970, Guardian had built its mortgage portfolio to \$41.6 million. Bank loans of \$9.3 million and commercial paper of \$11.95 million showed that the trust could obtain external financing.

But GMI refused to stay with a pat hand. Just at the close of that year GMI went to the market a second time and sold another \$15 million of 8% debentures plus 200,000 shares of stock at \$25 on Feb. 24, 1970. The deal raised a lot of eyebrows because both the debenture conversion price and the share price were \$25, a 7% discount from the 26 7/8 price for listed shares on the day of the offering. But even with the relatively unattractive price the offering did not dilute book value and raised the funds GMI needed to establish a larger external borrowing base.

Mortgage investments had nearly doubled to \$81.8 million (before loss reserve) at the end of the third quarter in November. Equity and subordinated debt now amount to \$43.7 million and if share dividends keep rising, we expect most conversion should be behind by March.

And GMI has been able to leverage itself without giving up further equity. At the end of November GMI had \$45.2 million in straight debt outstanding, or a debt/capital funds ratio slightly above 1-to-1. The biggest share of that debt is \$33.1 million in commercial paper, plus \$10.5 million in bank lines and \$1.6 million in 12- to 18-month notes. Lehman Bros. buys GMI paper at 6 3/4%-7% and discounts it to its customers. Lehman received 100,000 warrants (exercisable at \$27.50) as part of its agreement. Management's game plan is to reach a 2-to-1 or even 2½-to-1 debt/capital

GUARDIAN MORTGAGE INVESTORS

Quar. ended	Mil. \$ Mtg. Inv.*	Assets	Earn/share (diluted)
1969 May	\$ 18.4	\$ 24.5	\$ 0.28
Aug.	18.8	24.8	0.41
Nov.	24.0	28.8	0.56
1970 Feb.	41.6	46.8	0.59
May	60.2	68.4	0.66
Aug.	63.9	72.0	0.82
Nov.	81.8	90.9	0.91

Shares Nov. 30: 1,609,000 sh. (1,815,00 diluted)

	Primary	Diluted
Earnings 1970 (February):	\$2.13	\$1.84
1971	3.10	\$3.15

*Gross holdings before loss reserve.

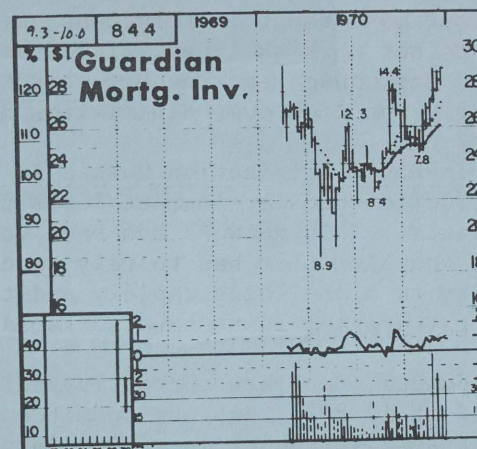


Chart Courtesy R. W. Mansfield Co.

funds ratio before seeking new equity. Bank lines of \$48 million currently will have to be increased to about \$80 million to sustain portfolio growth. Bank lines are 10% compensating balance when not in use, $\frac{1}{4}\%$ and $\frac{1}{2}\%$ over prime plus 20% compensating balance when used.

GMI's portfolio has been well-controlled in spite of rapid growth. One apartment loan was sold when the builder ran up \$200,000 in unauthorized change orders because GMI felt it could no longer rely on the builder. A \$60,000 loan on five houses is in distress but otherwise GMI's practice of insisting upon monthly inspections by Merritt and Harris, New York architectural firm, is working. About 75%-80% of loans are in housing, and biggest states are in the southeast and southwest. Yields have softened 100 basis points in the last 90 days but the big short-term debt has let GMI maintain its spread.

GMI's stock has been hobbled by confusion over the amount of overhanging dilution. This has resulted from some wide disparities between reported earnings and dividend declarations (see RTR, June 22). There have been volatile price swings too. As a result GMI shares are selling at only 8.0 times the \$3.64/share fully diluted earnings rate attained in the November quarter. Other trusts have comparable P/E ratios but in our opinion most others do not have the demonstrated capability for further leveraging. We project share earnings growing to an annual rate above \$4.00 by next summer and believe they will sell for 10 times earnings then (with some possible help from a NYSE listing). The shares are way undervalued and rate strong purchases in aggressive accounts.

American Century has grown in size faster than many realize. ACT started operations with a \$25 million offering July 10, 1969, at the bottom of the market for realty trust shares. Even then the trust was not forced to throw warrants into the package.

The trust came back to market with an offering netting \$19.3 million in April 1970. This time the trust had to give up equity: \$15 million in convertible debentures and warrants for another 400,000 shares. But the \$21 conversion price for the debentures and \$23 exercise price for the warrants were favorable compared to the trust's \$17.98 book value.

Still ACT has not made use of its leveraging potential. Bank borrowings now are a lean \$4.1 million. The trust is run with skinny cash balances, generally in the \$200,000-\$300,000 range. With the backing of its sponsor, \$51 million-asset American Heritage Life Insurance Co., ACT could undoubtedly borrow if management set its hand to the matter.

But management is reluctant to freeze cash into non-earning compensating balances just to set up bank lines, either as back-up lines for commercial paper or for normal uses. And management doesn't want to pay over the prime rate. Result: borrowings probably won't go over \$10 million by the end of next June in the current money market.

In-house origination muscle is a major plus. ACT has originated over 85% of its construction and development loans through American Heritage's own network of correspondents. This network has been working for years. Management believes it would be in trouble if it had to rely upon outsiders for loans. The network gives ACT ability to close loans rapidly and to inspect property and disburse loans promptly. Only two problem loans have surfaced and both have been worked out.

Funded loans are currently yielding about 12.67% with all commitments slightly higher at 12.84%. But new commitments are generally in the 11½%-12% range and we expect some softening in yields in near-term quarters.

The stock is a good holding in conservative accounts. Earnings likely will work up to a \$2.40 annual rate by next June and the P/E ratio of 8.5 is quite low. At current prices the indicated dividend yields about 11.2%, among the highest for trusts.

Fidelity Mortgage's growth path has been interrupted by problem loans. About \$10.2 million (or nearly 17% of total investments of \$60.2 million) are in that category. About \$1.77 million are in three complete and operating Four Seasons nursing centers, a company being reorganized. The Four Seasons bankruptcy trustee hopes to build a revived company around the FID-backed centers, so we believe it will be some time before interest payments are resumed on these loans, now in arrears.

It may be some time before three other loans of \$3.6 million in the Seattle area are recovered. These loans financed a motor inn, medical building and apartments, all completed. The Washington securities administrator was appointed temporary receiver Dec. 2. Interest has been reduced to 6% (to \$220,000 from \$453,000 on an annualized basis) and all loans are current. Also FID has two development and eight second mortgage loans totaling \$4.6 million to Great Southwest Corp., the Penn Central subsidiary attempting to overcome liquidity problems. All are current.

Trustees have increased FID's loss reserve to 7½% of monthly income, vs. 5% set aside in its first fiscal year ended Oct. 31. Fidelity raised \$18 million in a convertible issue Dec. 17 after placing a \$5 million loan with Western Savings Fund Society in October. The trust gave up warrants for 276,500 shares in the two transactions. We expect these financings to limit additional financing ability over the intermediate term and believe the shares should be avoided.

Barnett Mortgage Trust is just coming out of its cocoon. The trust, affiliated with the 16-unit Barnett bank network in Florida, came public last April. Only \$4 million of its initial investments are left to roll over into higher-yielding loans.

BMT's portfolio yield has moved from 10.4% in September to 11.87% in November and should hold there. Total portfolio in short-term loans should be about \$27.6 million at year-end, up from \$23.8 million in September. Bank loans should be about \$5 million at December's end and management plans to increase this to \$15-\$20 million before seeking to issue commercial paper. BMT is a more aggressively managed trust than its bank affiliation implies and we see this as an attractive longer-term holding.

STATISTICAL PROFILES OF THREE TRUSTS

	<u>Fidelity (Oct. 31)</u>	<u>Amer. Century (Sept. 30)</u>	<u>Barnett (Sept. 30)</u>
Mtg. investments-Mil.\$	\$60.2	\$44.6	\$23.8
Shareholders' equity-Mil.\$	\$38.6	\$28.2	\$28.2
Shares outstanding	2,005,000	1,487,968	1,275,000
Recent price	20 3/4	20 3/4	16 3/4
Estimated yield	9.6%	11.2%	8.4%

BACKLOG WITHERS FURTHER AS TRUSTS CLOSE OUT \$1.6 BILLION YEAR

A spate of December offerings by new and existing trusts pushed total capital raised to \$1.64 billion in 1970. Only one other offering is scheduled before year end, \$15 million debentures for B. F. Saul set for Dec. 29. We will be sending you a complete tabulation of 1970's historic pace with your January issue.

Withdrawals cut the shelf of pending registrations to \$427.5 million--and only about \$160 million of this is new enough to constitute realistic supply. New filings this past month include Cleve Trust Realty Investors and State Mutual Investors, both \$50 million offerings. Galbreath Mortgage has a \$15 million debenture offering on the January docket.

1970 TRUST OFFERINGS (Mil. \$)				
---Gross proceeds---				
	No.	Equity	Debt	Total
Initial	33	\$969.0	\$361.7	\$1,330.7
Secondaries	15	45.3	259.0	304.3
TOTALS	48	\$1,014.3	\$620.7	\$1,635.0

Institutions dominated 1970 offerings, with all but seven of 1970's total 33 trusts sponsored by major financial institutions. Commercial banks sponsored 15 new trusts, life insurance companies five. The institutions veered sharply toward long-term mortgages. About 55.7% of new funds went into long-term mortgages, vs. 39.4% to short-term loans and 4.9% to equity investment. Recent new issues:

Date	Trust	Offering	Price	-Gross Amt. (Mil.)-		
				Equity	Debt	Total
12/3	Median Mtg. Inv.	70,000 un. of 10 sh. & \$200 deb.	\$300	\$ 7.0	\$14.0*	\$21.0
12/10	Virginia REIT	600,000 sh.	10	6.0	--	6.0
12/17	PNB Mtg. & Rlty.	1,500,000 un. of 1 sh. & 1 wt.	20	30.0	--	30.0
12/17	US Leasing R.E.In.	1,200,000 un. of 1 sh. & 1 wt.	25	30.0	--	30.0
		TOTALS		\$73.0	\$14.0	\$87.0

*7½% debentures convertible at \$10.

Median Mortgage Investors will specialize in loans with three to 10 year maturities. MMI is sponsored by the management group of First Mortgage Investors, one of two original short-term trusts. It matches the Diversified Mortgage vehicle with similar purposes sponsored by Continental, the other original trust. Jack R. Courshon is chairman. Address: 30 Federal St., Boston.

Virginia Real Estate Investment Trust plans to purchase income producing property. Advisor is Virginia Advisory Service, formed by four realty service companies. Henry Clay Hofheimer II is chairman. Address: 511 Mutual Bldg., Richmond, Va. 23219.

PNB Mortgage and Realty Investors intends stressing long-term loans and other investments. Philadelphia National Bank and subsidiary Colonial Mortgage Service Co. are sponsors. Victor H. Schlesinger is president. Address: 7320 Old York Rd., Melrose Park, Penn. 19126.

U.S. Leasing Real Estate Investors will own wholly or partly real estate leased to banks and savings institutions. It is affiliated with U.S. Leasing International. Brooks Walker Jr. is president. Address: 633 Battery St., San Francisco 94111.

Debentures offered by three existing trusts were all convertible and all carried warrants. Alison Mortgage sold \$10 million of 7% debentures with 150,000 warrants to buy shares at \$19. Republic Mortgage made a \$15 million issue at 7½% convertible at \$19 plus 225,000 warrants exercisable at \$20. Fidelity Mortgage offered \$18 million of 7 3/4% debentures, convertible at \$21.25, plus 144,000 warrants exercisable at \$22.25.

December 28, 1970

Trust-Quoted	Share Book (000) Val.	-Dividend- Last Ann*	-Latest earnings Period EPS Ann*	Cash Flow+	Price 12/18	% Change	P/E Ratio*	Est.* Yield
<u>Equity and combination investment trusts</u>								
Am.Realty-ASE	983 6.63	0.15 0.60c	Sept.Y	0.51 1.35	7.88	+ 5.1 f 5.8		7.6
Amico Prop-OTC	1,582 4.10	---- 0.45	Oct. Y	0.37 0.52	5.38	- 4.4 f 10.3		8.4
Denver REI-WSJ	1,091 9.77	0.15 0.65z	Sept9M	0.44 0.53 1.18b	8.75	- 5.4 f 7.4		7.4
First Union-ASE	3,573 9.32	0.22 0.88c	Nov. Q	0.18 0.72 0.91m	10.75	+ 7.5 f 11.8		8.2
Franklin Rlt-ASE	945 10.72	0.19 0.76c	Sept.Q	0.19 0.76 0.77m	X 9.75	+ 0.6 f 12.7		7.8
Genl.Growth-OTC	2,357 7.19	Offered 9/29/70 at \$13.75			17.00	+13.3 ----		---
Goodrich Inv-OTC	1,211 9.43	0.15s 0.90	Sept.Q	0.24 0.96 1.04	7.75	- 1.6 f 7.5		11.6
Gould Inv.Tr-WSJ	1,323 8.24	w	Mar. H	---- ---- 0.96	4.88	- 2.4 f 5.1		---
Greenfield RE-WSJ	498 14.94	0.40 1.60c	Apr. H	0.53 1.06 2.02	17.25	+ 9.5 f 8.5		9.3
Hubbard REI-NYSE	4,004 23.22	0.36 1.44	Oct. Y	1.55 ----	X21.88	+ 9.1 14.1		6.6
Kavanau RE-ASE	1,553 3.94	Div.omitted	Sept9M	0.25d ---- 0.77	5.88	- 9.5 f 7.6		---
Mobile Hm.Com-OTC	1,059 9.45	---- 0.47	Oct. Q	---- 0.23 0.92	6.88	+ 1.9 7.5		6.8
Mutual REIT-WSJ	1,433 6.76	New div.def	June Y	----d 0.08 0.11	1.88	- 6.0 f 17.1		---
Nat.Realty-ASE	1,271 11.81	0.20 0.80c	Sept.Q	0.09 0.36 0.88	9.25	+ 1.3 f 10.5		8.6
Penn REIT-ASE	1,154 8.99	0.42 0.85c	Aug. Y	0.96 1.22m	11.00	- 2.2 f 9.0		7.7
Prudent Res.ASE	3,006 4.75	Div. Susp.	Aug.9M	0.16 0.21 0.80m	7.50	-10.5 f 9.4		---
REIT Am.-ASE	1,567 21.61	0.35z 1.40	Nov. Y	1.50b	23.00	+ 4.5 15.3		6.1
Realty Inc.Tr-ASE	1,216 14.20	0.25 1.00	Oct. Q	0.25 1.00 ----	11.38	+ 2.2 11.4		8.8
Riviere Rlty-OTC	783 9.26	0.22 0.88	Dec. Y	---- 0.57 0.79	7.50	Nil f 9.5		11.7
Saul (B.F.)-WSJ	3,530 10.53	0.30z 1.20	Sept.Y	1.14 ----	14.50	+ 4.5 12.7		8.3
US Leasing RE In-OTC	1,208 22.60	Offered 12/17/70 with 1 wt.at \$25			NA	--- ----		---
U.S. Realty-ASE	2,461 9.96	0.35z 1.40c	Sept.Q	0.26 1.02 1.60	16.88	+ 1.5 f 10.5		8.3
Washington Rl-WSJ	765 8.35	0.22 0.88c	June Q	0.53 ---- 1.06	9.75	+ 5.4 f 9.2		9.0
<u>Short-term mortgage trusts--Independent</u>								
Assoc.Mtg-ASE	945 21.71	0.55 2.20	Sept.Q	0.77a 3.08a ----	26.00	- 1.4 8.4		8.5
Capital Mtg-WSJ	1,000 18.21	0.45 1.80	Sept.Q	0.47 1.88 ----	16.50	- 2.9 8.8		10.9
Cont.Mtg-NYSE	13,264 3.00	0.26 1.04	Sept.Q	0.26 1.04 ----	17.63	- 3.4 17.0		5.9
First Mtg-NYSE	3,853 13.01	0.51 2.04	Oct. Q	0.46a 1.84a ----	X23.75	+ 4.3 12.9		8.6
Genl Mtg-WSJ	1,000 13.85	0.29 1.16	Sept.Q	0.29 1.16 ----	10.75	+10.3 9.3		10.8
Mtg.Inv.Wash-WSJ	1,016 13.87	0.30 1.20	Sept.Q	0.34 1.36 ----	11.38	+ 3.5 8.4		10.5
Nat.Mtg.Fd-WSJ	663 9.15	0.27 1.08	Nov. Q	0.26a 1.04a ----	9.63	+ 4.1 9.3		11.2
Repub.Mtg-ASE	1,678 18.39	0.45 1.80	Sept.Q	0.45 1.80 ----	16.88	+ 3.9 9.4		10.6
Western MI-WSJ	1,000 9.02	0.14 0.56	Nov.	0.15 0.60 ----	X 5.50	- 1.9 9.2		10.2
<u>Short-term mortgage trusts--Mortgage banker affiliated</u>								
Alison Mtg.-ASE	935 18.11	0.51 2.04	Oct. Q	0.45 1.80 ----	18.00	+ 1.4 10.0		11.3
Atico Mtg-ASE	1,182 13.66	0.40 1.60	Oct. Q	0.40 1.60 ----	X14.25	+ 8.5 8.9		11.2
Citizens Mtg-WSJ	1,407 14.07	0.27 1.08	Sept.Q	0.28 1.12 ----	11.25	+ 5.8 10.0		9.6
Colwell Mtg-WSJ	905 18.60	0.46 1.84	Sept.Q	0.50 2.00 ----	20.50	Nil 10.3		9.0
Fraser Mtg-WSJ	1,038 17.00	0.58 2.32	Nov. Q	0.58 2.32 ----	21.50	- 6.5 9.3		10.8
Galbreath-WSJ	700 22.86	0.60 2.40	Sept.Q	0.62 2.48 ----	25.00	+ 2.0 10.1		9.6
Guardian MI-ASE	1,271 24.04	0.72 2.88	Nov. Q	0.91 3.64a ----	X29.25	+15.8 8.0		9.8
Larwin MI-WSJ	2,005 18.73	0.44 1.76	Sept.Q	0.46 1.84 ----	18.25	+ 5.8 9.9		9.6
Lomas & Net-WSJ	1,840 23.10	0.68 2.72	Sept.Q	0.68 2.72 ----	28.75	+ 6.5 10.6		9.5
Midland Mtg-ASE	1,640 11.71	0.34 1.36	Sept.Q	0.35 1.40 ----	11.50	+ 4.5 8.2		11.8
M&T Mtg.Inv-OTC	773e 9.92	0.25i 1.00i	Nov. Q	0.25i 1.00i	10.00	--- 10.0		10.0
No.Am.Mtg-ASE	3,903 13.39	0.48 1.92	Sept.Q	0.48 1.92 ----	22.13	+ 6.7 11.5		8.7
Palomar Mtg-WSJ	604 23.57	0.63 2.52	Aug. Q	0.58 2.72 ----	24.75	- 4.8 9.1		10.2
Sutro Mtg-ASE	1,734 14.65	0.40 1.60	Sept.Q	0.40 1.60 ----	16.00	Nil 10.0		10.0
<u>Short-term mortgage trusts--Commercial bank affiliated</u>								
Am.Fletcher-ASE	540 23.34	0.58 2.32	Oct. Q	0.54a 2.16a ----	24.00	+ 2.1 11.1		9.7
Barnett Mtg.-WSJ	1,275 18.40	0.35 1.40	Sept.Q	0.38 1.52 ----	16.75	+14.5 11.0		8.4
Cam.Brown-WSJ	1,750 23.67	0.52 2.08	Sept.Q	0.55 2.20 ----	21.00	+13.5 9.5		9.9
Chase Man.Mtg-NYSE	2,802 24.14	0.48 1.92	Nov. Q	0.46a 1.84a ----	32.75	+13.4 17.8		5.9
Citinat.Dev-OTC	600 18.67	0.35 1.40	Sept.Q	0.37 1.48 ----	16.50	- 3.7 11.1		8.5

Trust-Quoted	Share Book (000) Val.	-Dividend- Last Ann*	-Latest earnings Period EPS Ann*	Cash Flow	Price 12/18	% Change	P/E Ratio*	Est.* Yield
Citizens & Sou-OTC	2,510e18.21	Offered 9/29/70	with wt. for 1/2 sh.	@ \$20	19.38	+ 1.3	---	---48.6
First of Denver-OTC	1,510e18.09	Offered 10/6/70	with 1 wt. at \$20		15.88	Nil	---	---
First Penn Mtg-WSJ	1,930 18.54	0.36 1.44i	Oct. Q 0.36 1.44i	----	X18.38	+ 7.1	12.8	7.8355
Mtg. Inv. Gp.-NYSE	2,480 18.45	0.50 2.00	Sept. Q 0.52 2.08	----	22.13	+21.2	10.6	9.0549
Tri South Mtg-OTC	1,385 18.12	Offered 11/19/70	@ \$20 with wt. for 1/2 sh.		19.00	---	---	---
Unionam MI-ASE	1,255 18.70	0.44 1.76	Nov. Q 0.44 1.76	----	17.38	+ 1.5	9.9	10.1
Wachovia RI-WSJ	3,335 18.81	0.52 2.08	Nov. Q 0.55 2.20	----	22.88	+11.6	10.4	9.1763
Wells Fargo-WSJ	3,760 18.49	0.26 1.04i	Sept. Q 0.28 1.12i		16.25	+ 3.2	14.5	6.4611
<u>Short-term mortgage trusts--Misc. financial inst. affiliated</u>								
Am. Cent. Mtg-ASE	1,488 18.93	0.57 2.28	Sept. Q 0.55 2.20	----	20.38	+ 2.5	9.3	11.2
Benef. Std. Mt-WSJ	775 18.61	0.40 1.60i	Oct. Q 0.41 1.64	----	16.75	- 1.5	10.2	9.6
City Inv. Mtg.-WSJ	3,405 18.83	0.40 1.60	Oct. Q 0.40 1.60	----	16.75	+16.5	10.5	9.657.0
Fidelity Mtg-ASE	2,005 19.25	0.50 2.00	Oct. Q 0.60 2.40	----	X20.88	+ 6.9	8.7	9.6
Grt. Am. Mtg-WSJ	1,257 20.70	0.26 3.12	Oct. Q 0.73 2.92	----	X43.00	+13.8	14.7	7.354.1
Lincoln MI-WSJ	1,110 8.89	0.20 0.80	Sept. Q 0.17 0.68	----	X 8.12	+ 9.2	11.9	9.8
Medical Mtg-WSJ	1,345 24.12	0.60 2.40z	Sept. Q 0.60 2.40	----	X21.00	- 0.7	8.8	11.4
Mtg. Tr. Am. WSJ	3,175 19.14	0.50 2.00	Nov. Q 0.53 2.12	----	19.25	+ 5.5	9.1	10.460.9
Security Mtg-ASE	3,278 5.69	0.21 0.84	Sept. Q 0.21 0.84	----	14.00	+ 8.7	16.7	6.043.9
<u>Intermediate-term mortgage trusts</u>								
Diver. Mtg. NYSE	6,329 19.47	0.48 1.92	Sept. Q 0.47 1.88a	----	23.88	+17.2	12.7	8.015.1
Median Mtg-OTC	720 e9.27	Offered 12/3/70	at \$10 (adj.)		9.88	---	---	---
<u>Long-term mortgage trusts--Name generally indicates affiliation</u>								
BT Mtg. Inv-OTC	608e23.48	Offered 10/1/70	at \$25 (adj.)	----	26.25	+ 6.1	---	----
Bank Amer.-WSJ	2,658 18.47	0.35 1.40	Oct. Q 0.40 1.60	----	20.00	- 1.7	12.5	7.053.3
Conn. Gen. Mtg-NYSE	3,751 19.29	0.38 1.52	Sept. Q 0.41 1.64	----	X24.00	+ 9.6	14.6	6.390.0
Cousins Mtg-ASE	2,135e18.21	Offered 8/12/70	at \$20		19.25	+ 6.2	---	---41.1
Equit. Life Mtg-OTC	3,008e22.35	Offered 10/29/70	@ \$25 (adj.)		27.00	- 0.5	---	---81.2
Fidelco Growth-OTC	864e21.94	Offered 8/28/70	with 1/2 wt. @ \$25		20.50	---	---	---
First of Memphis-OTC	1,046e18.25	Offered 11/24/70	with 1 wt. at \$20		16.63	---	---	---
Hotel Inv-OTC	760 17.98	Offered 8/12/70	at \$20 (adj.)		18.50	+ 2.8	---	---
Mass. Mutual-OTC	2,510e18.89	Offered 10/6/70	at \$20 (adj.)		22.00	+12.1	---	---55.2
MONY Mtg. Inv.-NYSE	5,020 9.18	0.21 0.84	Aug. Q 0.21 0.84	----	X 9.88	+ 6.2	11.8	8.549.6
Old Stone Mtg-OTC	457e11.27	Offered 10/23/70	@ \$12.50		13.63	+ 3.8	---	---
PNB Mtg. & RI-OTC	1,510e	Offered 12/18/70	with 1 wt. at \$20		20.00	---	---	---

WARRANTS
Conv.

Trust	Exercise terms	Price	Conv. Prem.	Trust	Exercise terms	Price	Conv. Prem.
Amer. Century	\$23 - 6/30/75	3.13	28	First Mtg. Inv.	\$11 1/4 - 12/15/77	11.88	-3
Amer. Flet.-ASE	25 - 1/31/75	3.75	20	First Penn. 1/2 sh.	20 - 7/23/74	1.63	18
Atico Mtg-ASE	15 - 12/31/74	3.75	32	Midland Mtg.	12 1/2 - 9/30/74	2.75	33
Barnett Mtg.	20 - 4/ 1/80	2.75	36	Mobile Hm. Comm.	10 - 8/26/74	2.63	84
Benef. Std. Mtg.	20 - 7/14/75	2.75	36	M&T Mtg.	13 - 8/31/75	1.88	49
Cameron-Brown	25 - 11/15/76	3.00	33	Mtg. Inv. Gp.	20 - 4/ 2/74	5.63	28
Capital Mtg.	20 - 11/25/74	2.50	36	Mtg. Inv. Wash.	15 - 3/ 5/75	1.50	45
Cicinat. Dev.	20 - 4/15/75	2.25	35	Mtg. Tr. Am.	19 - 11/ 6/74	3.63	18
Citizens Mtg.	15 - 12/10/74	2.38	54	No. Amer. Mtg.	24 - 12/ 2/74	5.50	33
Cit. & Sou. 1/2 sh.	20 - 10/ 1/75	2.13	14	Republic-ASE	20 - 6/30/74	3.63	40
City Inv. (A)	20 - 12/ 1/74	2.88	37	Tri-South 1/2 sh.	20 - 12/ 2/74	1.75	14
City Inv. (B)	20 - 12/ 1/72	1.50	28	Unionamer-ASE	20 - 12/31/74	3.25	34
Fidelco	25 - 9/ 1/75	3.00	37	Wells Fargo 1/2 sh.	20 - 7/ 1/74	1.75	34
First Denver Mtg.	20 - 10/ 6/75	2.75	43				

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24 CONVERTIBLE DEBENTURES

Issuer	Conv. @	Price	Cur. Int.		Issuer	Conv. @	Price	Cur. Int.	
			Yield	Cov. **				Yield	Cov.
Amer. Century 7s '90 (ASE)	21	94.75	7.4	3.71	General Mtg. 8s '90	10.50	98	8.2	NR
Amer. Realty 7s 1984	13	70	10.0	1.31	Great Am. Mtg. 7 3/4 '90	40	105.50	7.3	NR
Assoc. Mtg. 6 1/2s '83	22	118	5.5	3.31	Guar. Mtg. (ASE) 8s '85	25	112.50	7.1	2.19
BT Mtg. Inv. 6 3/4 '90	26.25	98	6.9	NR	Hotel Inv. 7 3/4s '90	21	86.50	9.0	NR
Bank Amer. Mtg. 6 3/4 '90	21	94	7.2	2.47	Lincoln Mtg. 8s '90	11	79	10.1	2.16
Chase Man. (NY) 6 3/4 '90	26	122.25	5.5	NR	Mass Mutual 6 3/4 '90	21	101	6.7	NR
Conn. Gen. (NY) 6 3/4 '90	22	106.50	6.3	1.73	Median Mtg. Inv. 7 1/2 '90	10	100	7.5	NR
Cont. Mtg. (NY) 6 1/4 '90	22	96.50	6.5	1.81	MONY Mtg. (NY) 7s '90	11	91.50	7.7	2.18
Diver. Mtg. 6 1/2s '89	23	100	6.5	8.00	Mtg. Inv. Wash. 8s '90	15	90	8.9	2.91
Equitable 6 3/4 '90	26.25	101	6.7	NR	Penn. 6 3/4 '84	14*	76	8.9f	1.68
First Mtg. (NY) 6 3/4 '85	24	99	6.8	1.55	Penn. 6 1/4 '79	12 1/2	76	8.2f	1.68
Frank Rl. (ASE) 7s '89	10	98.13	7.1	f1.34	US Rlty (ASE) 5 3/4 '89	25.25	65.00	8.8f	2.12

Earnings and dividends reported during the past month are underlined.

**Q-Quarter; H-Half-year. Dividends and earnings are annualized by appropriate multiplication of latest quarter without seasonal adjustment but are not guaranteed annual rates, since dividends depend upon earnings and are subject to change. +Operating income plus non-cash charges less mortgage amortization. a-Fully diluted. b-Before capital gains: Denver REIT, \$0.49; REIT America, \$0.67. c-Partially tax sheltered as return of capital or capital gains; consult trust for proportions. d-Deficit. e-Estimated from prospectus. f-Based on cash flow as defined. i-Initial quarter, may be less than full 90 days. m-For latest fiscal year. NA or NR-Not available or not reported. s-Payable six times yearly. w-12 sh. of VTR, Inc., for each 100 shares. z-Plus extras: B.F. Saul 0.05, Diversified, 0.04; REIT AM., 0.35, Fidelity MI, 0.31½; U.S. Realty 0.10, Medical Mtg. 0.10, Denver REIA, 0.15. Convertibles: *Increases to \$17 on Feb. 14, 1973. **Interest coverage, or ratio of earnings to interest expense. For interest coverage of equity trusts, marked "f" the ratio denotes cash available to fixed charges: net income, depreciation and interest divided by the total of debt amortization and interest expense. OTC quotes courtesy Wm. Harman.

MOST ACTIVE LISTED TRUST ISSUES

Trust	Sh. (00)	Close	Chng.	Trust	Sh. (00)	Close	Chng.
Week of Nov. 27				Week of Dec. 11			
Chase Man. Tr.	852	30 7/8	+2	Diver. Mt.	635	23	+ 1/2
First Mtg. Inv.	x746	23 1/8	+ 1/2	MONY Mtg. Inv.	566	9 1/4	- 3/8
Guardian Mtg.	631	27 1/2	+1 5/8	Mtg. Inv. Gp.	452	21 3/4	- 3/8
Assoc. Mtg.	628	27 1/4	+ 7/8	Am. Cent. Mtg.	396	20	- 3/8
Atico Mtg. wts.	555	3 5/8	+ 1/4	First Mtg. Inv.	382	23 7/8	+1 1/8
Avg. closing price: \$22.48				Avg. closing price: \$19.58			
Week of Dec. 4				Week of Dec. 18			
Mtg. Inv. Gp.	987	22 1/8	+2 1/2	Cont. Mtg. Inv.	926	17 5/8	-2
MONY Mtg.	x585	9 5/8	- 1/8	Diver. Mtg.	767	23 7/8	+ 7/8
ConnGen Mtg.	582	23 1/4	+ 1/2	MONY Mtg. Inv.	578	9 7/8	+ 5/8
Chase Man. Tr.	509	31 1/2	+ 5/8	First Mtg. Inv.	527	23 3/4	- 1/8
Diver. Mtg.	451	22 1/2	+2 1/8	Chase Man. Tr.	389	32 3/4	+1 3/4
Avg. closing price: \$21.80				Avg. closing price: \$21.58			

WEEKLY TRADING TRENDS IN LISTED SHARES AND WARRANTS

Weekly change	---Nov. 27---		---Dec. 4---		---Dec. 11---		---Dec. 18---		---Four wk. totals---	
	#	Sh. (00)	#	Sh. (00)	#	Sh. (00)	#	Sh. (00)	Sh. (00)	%
Advances	24	6,411	20	6,144	17	3,664	10	3,187	19,406	62.2%
Declines	5	648	10	2,064	14	2,848	19	3,459	9,019	28.9
Unchanged	6	702	5	712	4	398	7	941	2,753	8.9
TOTALS	35	7,761	35	8,920	35	6,910	36	7,587	31,178	100.0
Avg.cl.price		\$15.52		\$15.86		\$15.86		\$15.93		
Est.Vol. (Mil.\$)*		\$12.05		\$14.15		\$10.95		\$12.09	\$49.25	

* Estimated from average closing price and total volume.